

VZCZCXRO6067
OO RUEHROV
DE RUEHJM #1317 1771405
ZNR UUUUU ZZH
O 261405Z JUN 07
FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8174
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS JERUSALEM 001317

SIPDIS

SENSITIVE
SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR
WILLIAMS/SHAMPAINE/BELGRADE; PRM FOR PDAS GREENE AND
PRM/ANE; NSC FOR ABRAMS/WATERS; TREASURY FOR
SZUBIN/LOEFFLER/NUGENT/HIRSON; BRUSSELS FOR LERNER; PLEASE
PASS TO USAID FOR KUNDER/MCCLLOUD/BORODIN

E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [EFIN](#) [KPAL](#) [KWBG](#) [PGOV](#) [PHUM](#)
SUBJECT: PRICES STABILIZE AS FOOD REMAINS AVAILABLE IN GAZA

REF: JERUSALEM 1304

¶1. (SBU) Summary: Food prices for most items in Gaza have returned to just above normal following the panic-buying and price increases that occurred immediately following the Hamas takeover of Gaza. Gaza is not experiencing shortages of basic commodities. Hamas threatened to confiscate goods from price-hiking food suppliers, releasing a phone number for Gaza consumers to report price abuses. Many store owners have limited individual amounts sold to customers to control hoarding. Dairy products were imported commercially into Gaza June 25. UNRWA plans to ship food aid into Gaza this week. End summary.

Prices Slide This Week

¶2. (SBU) WFP Spokesperson Kirstie Campbell told Econoff June 26 that wheat-flour prices in Gaza City dropped 30 percent since early last week, after having climbed steeply due to panic-buying following the Hamas takeover in Gaza. Campbell reported that most fruits and many vegetables remain unavailable in Gaza markets, having historically arrived via the closed Karni/al-Mintar crossing. She said that Gaza's food supply is not currently experiencing shortages of basic food commodities.

¶3. (SBU) Hamas Executive Security Forces have warned against hoarding and price-hiking and established a phone number for Gaza consumers to report high, abusive prices, according to Gaza-based Palestinian Agribusiness Partnership Activity (PAPA) project director Salem al-Raiz. He said that the warnings, which have been airing on Hamas-run al-Aqsa radio and television since June 18, have helped stem further panic-buying and sharp price increases in Gaza. Market vendors and store owners have limited individual amounts sold to customers to prevent hoarding of basic food commodities, according to al-Raiz and Gaza-based OCHA representative Hamada al-Bayari June 26.

Dairy Products Arrive/UNRWA Food Due

¶4. (SBU) Paltrade reported that 15 truckloads of dairy products entered Gaza commercially via Sufa crossing June 25. Al-Raiz said that dairy prices have held steady throughout June, as milk is contained in some of the recently-arrive food aid packages.

¶5. (SBU) UNRWA Gaza Director John Ging told Poloff June 26 that UNRWA has enough food in its Gaza warehouses for food distribution until July 6. He said that UNRWA has 104 containers of Gaza-bound humanitarian aid at Ashdod port, which he plans to begin shipping into Gaza via Sufa crossing this week. Ging said that these shipments should provide sufficient food for UNRWA beneficiaries through August.

WALLES